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**CEDAR GROVE WATER, INC.**

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2007 JUN 13 P 2: 29

AZ CORP COMMISSION  
DOCKET CONTROL

June 11, 2007

RE: Cedar Grove Water Company – Application for Approval of the Sale of Assets and/or Transfer of Certificate of Convenience and Necessity (CC&N) to Cedar Grove Water Company, Inc. in Docket No. W-02597A-07-0169  
RESPONSE TO INSUFFICIENCY LETTER #2

1. In reference to the list of the assets that Cedar Grove Water Company will be transferring to Cedar Grove Water, Inc., please clarify the following:

a. Where is Well # 55-504679 located and is it being used to provide service for the Cedar Grove System?

Well # 55-504679 is located approximately one (1) mile east of Well # 55-550075 (listed in previous responses as the Warehouse Location). With regards to this well, Company is in the process of obtaining Approval to Construct from ADEQ.

b. The pump yield for Well # 55-566375 shows 0. Staff understands that the pump yield is 56 gallons per minute. Please explain.

Well # 55-566375 ceased being a productive well in year 2005.

c. The Meter Size for Well # 55-566375 is listed as 1.5 inches. Staff understands that the Meter Size is 2 inches. Please explain.

Staff's understanding is correct, Well # 55-566375 is metered by a 2 inch meter.

d. Please confirm whether the Company has ten (10) or twelve (12) 2 horsepower booster pumps.

Company has twelve (12) 2 horsepower booster pumps.

e. It appears that a 15,000 gallon storage tank for Well # 5 was not listed in the list of assets to be transferred. Please explain.

Well # 5 does have a 15,000 gallon storage tank.

Arizona Corporation Commission

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- f. Staff is aware that there are two (2) 12' x 12' Buildings. There is a 12' X 12' Building that is not listed. Please explain.

Staff is correct that there are two (2) 12' x 12' Buildings. One is located at Well # 2 and the other is located at Well #5.

2. In Item T. of the Application, the Applicant indicated in its response "N/A". Staff is aware that the owner(s) and/or shareholder(s) of the Transferee has other public utility interest(s).

Mark Grapp is a majority shareholder in Watco, Inc., Cedar Grove Water, Inc., A. Petersen Water Company, Inc. and Vernon Valley Water, Inc.